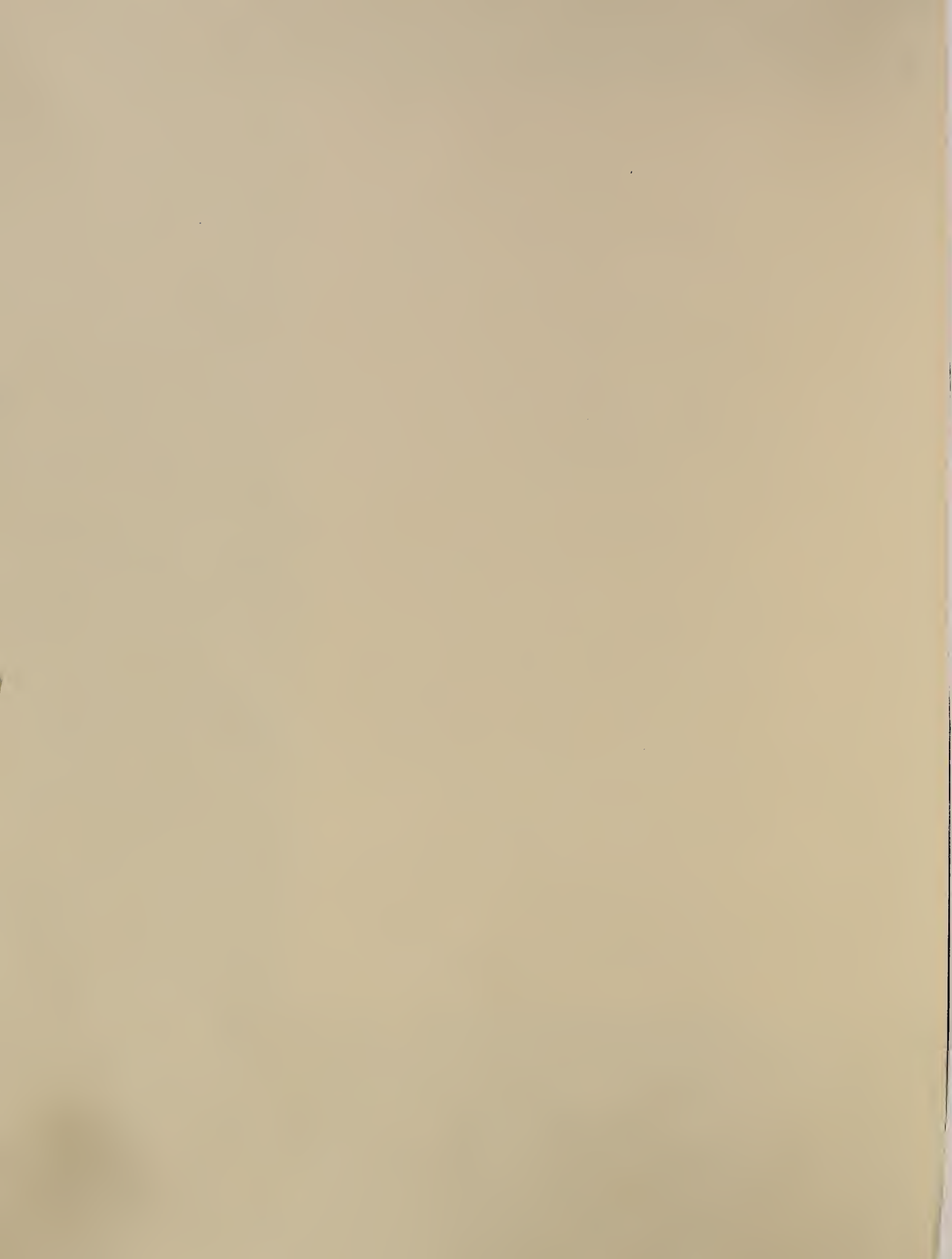


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# Farm Broadcasters Letter



CURRENT SERIAL RECORDS

Letter No. 2322

July 23, 1987

## FARM INCOME RISING

The net cash income of farmers is forecast at \$52-56 billion this year, compared with \$53 billion in 1986, according to the U.S. Department of Agriculture. Production expenses are lower than in 1986. Stronger livestock receipts and increased Government payments are expected to partially offset reduced crop receipts. The total 1986 farm expenses were \$12 billion below 1985. This record drop more than offset revenue reductions, and boosted revised 1986 net cash income to \$53 billion, up \$6 billion from a year earlier. Bills for manufactured inputs, feed, interest, and overhead were all lower.

## FARM VALUES STABILIZING

The values of farmland appear to be stabilizing after falling 8 percent from February 1986 to February 1987, according to the U.S. Department of Agriculture. The prospects for improved earnings, lower average interest rates than last year, and lower debt-to-asset ratios are helping to stabilize farmland values. The large supply of available land and the small interest rate rise may hold prices down.

## LIVESTOCK & POULTRY: LOOKING UP

Market signals to livestock and poultry farmers continue to be favorable, according to the U.S. Department of Agriculture. The production costs are lower and the product prices are generally stable to higher. In response, hog producers are expanding their breeding herds. The cattle inventory appears to be stabilizing about 2 percent below a year earlier, according to June 1 estimates, but a strong cyclic rise in cattle numbers is still in the future. Livestock and poultry processing and marketing firms are continuing to adjust their strategies to maintain and expand their shares in a slowly growing market. This includes more branded products and increased industry concentration.

## DAIRY - SALES GROW, OUTPUT BELOW LAST YEAR

The balance between milk production and commercial use during the second half of 1987 probably will be a little tighter than a year ago, as sales grow and output stays below last year, at least through the summer. However, according to the U.S. Department of Agriculture, early summer stocks both inside and outside warehouses may total above a year ago. For the second-half of 1987, price rises may be near or somewhat below a year earlier. But slightly tighter conditions than now expected could generate much larger price jumps, because of low commercial cheese stocks. For all of 1987, milk prices may be slightly higher than the \$12.51 per hundredweight in 1986.

United States Department of Agriculture

Radio-Television Division

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Washington D.C. 20250



# FARM BILLS INTRODUCED IN CONGRESS

Various farm bills have been introduced in Congress this year, reflecting concerns about agricultural policy. Here's a brief summary from the U.S. Department of Agriculture. Some bills would introduce mandatory production controls and others would decouple Government payments to farmers from farm production decisions. Most of the bills deal with wheat, feed grains and soybeans. Parity prices are central to some bills introduced this year, and are the subject of several hearings. Parity, as defined in permanent agricultural legislation, overstates the prices needed to make a commodity's purchasing power the same as during the base period of 1910-1914. This is because of the way increases in productivity and farm size are excluded, and the way taxes and interest are handled.

# MILK PRODUCTION CONTINUES DECLINE

Milk production continues to decline, but at a diminishing rate, according to the U.S. Department of Agriculture. The Dairy Termination Program is nearing its end. Fewer cows were killed in recent months than a year earlier, easing the decline in milk production to 2.6 percent during April-June. Milk output by farms not in the Termination Program has been somewhat erratic. By late spring, these producers had about the same number of cows as a year ago.

# SOFTWOOD TIMBER LOANS

Borrowers from the Farmers Home Administration who are in financial difficulty may be eligible for assistance under the Department of Agriculture's softwood timber program. Borrowers with delinquent loans may request reclassification of their loans if they have land that is suitable for the production of softwood timber. For more information, contact your FmHA county, district or state offices.

# U.S. GAINS FROM TRADE REFORM

In a speech in Copenhagen, Denmark on July 18, Sec'y of Agriculture Richard Lyng listed some of the benefits of the U.S. proposal for the reform of agricultural trade. Lyng said, "We will gain the economies resulting from the improved use of resources by allowing comparative advantage to influence production and marketing. We will gain freedom for farmers to decide for themselves what to produce without having to depend on the vagaries of government policy. We will give consumers the freedom to select the variety, quality and origin of products they desire at a price they are willing to pay. We will relieve taxpayers of the financial burden of expensive government subsidy policies."

# CATFISH UP ON THE FARM

Catfish that were raised on farms and processed during June, totaled 19 million 900 thousand pounds round weight, according to the U.S. Department of Agriculture. That's up 23 percent from June 1986. The June average price paid to growers was 64 cents per pound, 4 cents below the same month last year.

# DAIRY CATTLE SLAUGHTERED

An estimated 6,100 head of dairy cattle were slaughtered in federally-inspected plants during the week ending June 27 as a result of the Dairy Termination Program, according to the U.S. Department of Agriculture. The cumulative total of cattle slaughtered under the program from April 1, 1986 through June 27, 1987 is an estimated 1,128,800 head. Dairy cattle exported during this same period total an estimated 59,341 head.

FROM OUR  
TELEVISION  
SERVICE

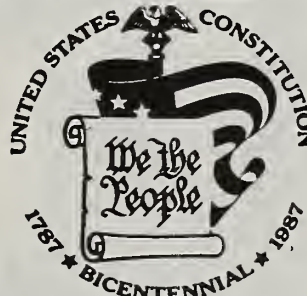
OUTLOOK FOR CHINA...China's agricultural trade surplus is expected to decline substantially this year. USDA economist Francis Tuan discusses the shift and its influence on world markets. (241)

SURVEY ON EXPORT DEMAND...Understanding the influence of trade barriers and government policies on exports is important to predicting market influences. USDA economist Walter Gardiner describes a concept called "elasticity of demand" and how it influences U.S. exports. Vic Powell interviews. (242)

ARCHEOLOGICAL SITES...Diane Gelbard, a USDA archeologist with the Soil Conservation Serv., describes research into artifacts at a civilization site in Delaware of 9,000 years ago. Vic Powell interviews. (243)

TOBACCO OUTLOOK...For the year ending June 30, Americans will likely consume two percent fewer cigarettes than a year earlier, with both production and sales continuing to fall throughout 1987. USDA economist Verner Grise examines factors contributing to this situation. Vic Powell interviews. (244)

PLASTICS FROM CORN STARCH...Richard Wool, Univ. of Illinois, talks about research work being conducted by scientists using corn materials to make plastics. Gary Beaumont interviews. (245)



FROM OUR RADIO  
SERVICE

(To be mailed  
in cassette  
form on  
July 29.)

AGRICULTURE USA #1573...(Weekly 13½ min documentary) A unique pilot program has been developed through the West Virginia University's 4-H Extension Service to prevent children from dropping out of school. On this edition of AGRICULTURE USA Brenda Curtis talks to WVU Extension 4-H specialist Dr. Reita Marks about this unusual program.

AGRITAPE/FARM PROGRAM REPORT #1562...(Weekly news features) USDA news highlights; Petro dollars buy U.S. food products; USDA requests cotton on upland cotton program; CCC restates policy on lower quality grain; Low input agriculture.

CONSUMER TIME #1053...(Weekly 2½-3 min features) Muskrat love; Bug zappers; Bug traps; Food for the future?; Wild plants.

USDA RADIO NEWS SERVICE...Tues, Aug. 4, Weekly weather and crop report; Wed, Aug. 5, Livestock and poultry outlook; Mon, Aug. 10, Horticultural products review; Tues, Aug. 11, World ag. supply and demand; Weekly weather and crop outlook; Soviet grain situation and outlook. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. ET each working day.



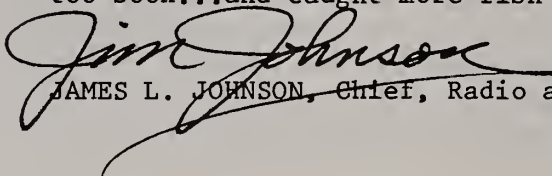
OFF MIKE

Interesting item in the monthly Arkansas Radio Net newsletter, and it makes one realize how little we know about the world around us. The item was about an endangered clam that could hurt Arkansas rice farmers. It's a freshwater clam called the Fat Pocketbook Pearly Mussel. And that's what prompted the "...how little we know..." comment. Not many people know about such a critter. And if you want to know more, talk to Stuart Doan or Kathleen Loneragan at ARN ... We salute our office manager Florence Kelly. Ass't Sec'y Wilmer Mizell presented her with a Certificate of Merit and cash award for work she did in discovering how to directly access USDA's computer and for setting up a procedure for making corrections and changes in our mailing lists from her desktop computer ... Our USDA radio services are being distributed on cassette now instead of reel-to-reel. The first cassettes are due to be mailed July 28. Each cassette will contain four series: "Agri-Tape/Farm Program Report," "News Feature Five," "Agriculture USDA," and "Consumer

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Time." The cassettes will be provided on a non-return basis ... Verne Sheppard is now the farm broadcaster at KTOQ, Rapid City, SD. He moved over from KOTA and has been with KTOQ since mid June ... We're a little late with this next bit of news but wanted to be sure you knew in case you didn't already. Hugh Whaley (American Soybean Assoc., St. Louis, MO) is a proud new papa. Son Jonathan Tyler was born June 17. Our congratulations! ... No doubt you've heard this one before, but we'll pass it on anyway, courtesy of Johnny Martin, now retired from Ohio Farm Bureau information: Overheard at the office coffee pot: "I went fishing with my husband over the weekend and did everything wrong...I talked too much...talked too loud...moved around too much...used the wrong bait...reeled in too soon...and caught more fish than he did!"

  
JAMES L. JOHNSON, Chief, Radio and Television Division